THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRIANANDRAO VITHOBA ADSUL): (a) The World Bank, while noting relatively good performance of Indian economy has drawn attention to the sustainability of fiscal deficit as one of the key policy issues.

(b) and (c) The Central Government has been working jointly with the State Governments to meet the challenge of fiscal management at the State level. The Government of India has also suggested a debt swap scheme to enable the States to retire high cost debt to facilitate the process of fiscal consolidation.

The Central Government has also been following the strategy of fiscal rectitude as outlined in the Union Budget 2002-2003, which aims at higher tax revenues, improved non-tax receipts and moderation in the growth of non-plan expenditure.

Mopping up of funds by ICICI Bank

696. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the Central Government have allowed ICICI Bank to mop up Rs. 5000 crore from public through the bond route;

(b) whether it is the first Bank to get permission of the kind without infrastructure bond;

(c) if so, the reasons and circumstances for the policy shift; and

(d) whether other banks will also be allowed to follow suit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b)and (d) Do not arise.

Increase in foreign excliange reserves

697. DR. MAN MOHAN SINGH: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the increase in India's foreign exchange reserves during 2001 -02 and 2002-03, thus far;

(b) the factors contributing to the incease in reserves; and

(c) the average interest rate earned on foreign exchange reserves?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) India's foreign exchange reserves (including gold and SDRs) held by the Reserve Bank of India increased to US $54.1 billion, at the end of March 2002, from US $42.3 billion, at the end of March 2001, shov^/ing an increase of US $11.8 billion during 2001-02. During the first seven months of 2002-03, the foreign exchange reserves US $64.5 billion, at the end of October 2002, showing an increase of US $10.4 billion.

(b) The movements in the foreign exchange reserves reflect the demand-supply position in the foreign exchange market emanating from developments in balance of payments.The balance of payments outcome, in turn, depends upon the trends in exports, imports, services, income and transfers in the current account and development in foreign direct investment, foreign institutional investors (FN) Inflows, ADR/GDRs, commercial borrowings, external assistance and NRI deposit inflows in the capital account of balance of payments.

(c) The net earnings on foreign currency assets and gold decreased from 6.0 per cent in 2000-01 to 4.5 per cent in 2001-02 due to lower interest rates prevailing in the international markets. Excluding gains/ losses on account of securities transactions and depreciation, the net earnings on foreign curency assets and gold worked out in 4.1 per cent for 2001 -02 as against 5.8 per cent for 2000-01.

Revival of sick industries in Gujarat

698. DR. A.K. PATEL: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the number of proposals for revival of sick industries referred to BIFR from Gujarat since its inception;

(b) the number of cases belonging to the PSU, Joint Venture Enterprise and private sector out of them; and

(c) the number of cases approved for revival and the number of cases rejected?